No. 98-731

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1998

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA,

Petitioner,

—v.—

GENENTECH, INC., AND UNITED STATES OF AMERICA,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

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December 4, 1998

QUESTION PRESENTED

Did the Federal Circuit Court of Appeals err when it decided on the specific facts of this case that Petitioner, The Regents of the University of California, had waived its Eleventh Amendment Immunity and consented to suit by voluntarily engaging in litigation related conduct which created a case or controversy that could be resolved only by federal judicial authority?

Genentech, Inc. submits that this Court need not consider Question 2 of the Petition. The Federal Circuit Court of Appeals specifically refrained from deciding whether Congress validly abrogated Petitioner's Eleventh Amendment immunity, and this is not an exceptional case requiring review of issues not passed upon below.

PARTIES TO THE PROCEEDINGS
RULE 29.6 STATEMENT

Respondent is Genentech, Inc. (hereinafter "Genentech"). Roche Holdings Inc. (hereinafter "Roche") owns approximately 66% of the issued shares of Genentech; however Genentech remains an independent, publicly traded company and continues to operate entirely independently of Roche. Roche has an option to acquire the remaining shares of Genentech.

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IN THE SUPREME COURT OF THE UNITED STATES
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No. 98-731

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA,
Petitioner,

v.

GENENTECH, INC., AND THE UNITED STATES OF AMERICA
Respondents.

On Petition for a Writ of Certiorari
to the United States Court of Appeals for
the Federal Circuit

OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

Genentech, Inc. (hereinafter "Genentech") respectfully opposes the prayer of The Regents of the University of California (hereinafter "the University") that a writ of certiorari issue to review the Judgment and Opinion of the United States Court of Appeals for the Federal Circuit, dated May 4, 1998.

STATEMENT OF THE CASE

Pursuant to Supreme Court Rules 15 and 24, Genentech supplements the University's statement of the case as follows.

The Federal Circuit found that the University had engaged in a course of voluntary conduct which resulted in a waiver of its Eleventh Amendment Immunity. The University did not carry out that course of conduct in a vacuum, but in the context of pending federal litigation between Genentech and Eli Lilly and Company ("Lilly").

As the court below noted, this case is one of six cases consolidated in the District Court for the Southern District of Indiana by the Judicial Panel on Multidistrict Litigation.[1] Appendix to Petition (hereinafter "Pet. App.") at 2a-3a. These cases originated in 1987 and arose from various research and license agreements among the University, Genentech, and Lilly, a commercial competitor of Genentech. *See In re Regents*, 964 F.2d at 1130-31.

In defending against Genentech's allegations that Lilly's manufacture and sale of human growth hormone ("hGH") violated Genentech's patent and contract rights, Lilly alleged, *inter alia*, that Genentech caused the University to breach research agreements between the University and Lilly, and that Genentech intentionally interfered with Lilly's commercial relationship with the University, and "intentionally interfered with Lilly's prospective economic advantage arising from that relationship." *In re Recombinant DNA Technology*, 30 U.S.P.Q.2d at 1893.

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[1] For general background on this case and the other five cases involving the '877 patent and related patents and technology that were consolidated in multidistrict proceedings, the Court is referred to the decisions in *In re Regents of the Univ. of California*, 964 F.2d 1128 (Fed. Cir. 1992) and *In re Recombinant DNA Technology Patent and Contract Litigation*, 30 U.S.P.Q.2d 1881 (S.D. Ind. 1994).

At that time (i.e., in 1987), Lilly held an option which gave it the right to obtain an exclusive license to the patent-in-suit here, U.S. Patent No. 4,363,877 ("the '877 patent"), but the University and Lilly had not yet negotiated or executed a license agreement. *In re Recombinant DNA Technology Patent and Contract Litigation*, MDL Docket No. 912, IP-90-1679-C, slip op. at 2-4 (S.D. Ind. May 2, 1994). The execution was delayed because, among other things, the invention underlying the '877 patent had been made with federal support, and Lilly and the University had not yet obtained a waiver of the requirement that patents resulting from federally-supported research could be licensed only on a non-exclusive basis. *Id.* In 1987, the University applied for a waiver to the United States Department of Health, Education, and Welfare (hereinafter "HEW"), asserting that it expected litigation over the '877 patent, and that such litigation would make non-exclusive licensing uneconomical. Based on such representations, HEW granted a waiver to the University in 1988.

In 1989, the University granted an exclusive license under the '877 patent to Lilly. Among other things, the license required the University, at Lilly's request, to commence patent infringement proceedings against potential infringers. Pet. App. 27a. If the University failed to do so, Lilly could either sue in its own name or suspend payment of royalties. Lilly eventually requested that the University bring suit on the '877 patent against Genentech. Thereupon, the University threatened Genentech with a patent infringement suit in district court in California. The University made this threat while the federal litigation between Genentech and Lilly – involving patents, technology, research agreements, and license agreements that were related to human growth hormone – had been pending for three years. It is undisputed that Lilly's demand that the University sue Genentech on the '877 patent was designed to give Lilly an additional weapon in the then existing litigation.

On August 6, 1990, in response to the University's threat, Genentech brought this suit against the University in the District Court for the Southern District of Indiana seeking declaratory relief that the '877 patent is invalid, unenforceable, and not infringed by Genentech in its manufacture and sale of hGH

products. On the following day, the University filed an infringement suit against Genentech in the District Court for the Northern District of California.

In concluding that the University's course of conduct resulted in a waiver, the court below noted that the University's actions in procuring the '877 patent, licensing the patent to Lilly in return for royalties, granting Lilly the right to demand the University sue Genentech, and threatening Genentech with a patent infringement lawsuit are "not at the core of the educational/research purpose for which the University was chartered as an arm of the state," and that "this commercially-oriented activity is not central to the University's charter." Pet. App. 12a. In deciding the University's claim of sovereign immunity, the Federal Circuit found it "not irrelevant" that in 1994, the University received $50.2 million in royalties from patents, filed 389 patent applications, and received 126 patents. Pet. App. 12a, n. 6.

REASONS WHY THE PETITION SHOULD BE DENIED

I. The University Has Failed To Offer Compelling Reasons For Review

Rule 10 of the Supreme Court Rules states that, "[a] petition for a writ of certiorari will be granted only for compelling reasons." Sup. Ct. R. 10. Such reasons may include conflicting decisions between courts on an important matter; unsettled questions of national importance to the administration of federal law; or resolution of an important federal question in a way that conflicts with Supreme Court precedent. *See Layne & Bowler Corp. v. Western Well Works, Inc.*, 261 U.S. 387, 393 (1923). If the question presented by a petition for a writ of certiorari is academic, or important only to the parties, and not to the public, the petition should be denied. *Rice v. Sioux City Memorial Park Cemetery, Inc.*, 349 U.S. 70, 74 (1955). Rule 10 further states that, "[a] petition for a writ of certiorari is rarely granted when the asserted error consists of erroneous factual findings or the misapplication of a properly stated rule of law." Sup. Ct. R. 10.

Despite its best efforts, the University has failed to identify any deviation from this Court's precedents, any unsettled issue of public importance, or any genuine conflict among the circuits, which would justify consideration by this Court. The court below properly stated the law governing a State's waiver of Eleventh Amendment immunity and applied that law to facts that are unique to this case.

A. The Decision Below is Consistent with Supreme Court Precedent

Contrary to the University's contention, the decision below is fully supported by the Court's precedents and does not "undermine" the Court's holding in *Seminole Tribe of Fla. v. Florida*, 517 U.S. 44 (1996).

In *Seminole Tribe*, the Supreme Court acknowledged the "unremarkable . . . proposition that the states may waive their sovereign immunity." *Seminole Tribe*, 517 U.S. at 65. In support of that proposition, the Supreme Court cited *Parden v. Terminal Ry. of Ala. State Docks Dep't.*, 377 U.S. 184 (1964). Thus, it is unnecessary to speculate about whether a State can waive its Eleventh Amendment immunity by conduct.[2] By citing *Parden* for this proposition, the Court has confirmed that, under limited circumstances, a State can do so. Although the court below did not specifically rely upon *Parden*, its decision was based on the same "unremarkable" proposition.

It is well settled and beyond dispute that one form of conduct by which a State can manifest its willingness to waive sovereign immunity is the active invocation of federal judicial power. Indeed, it has been clear since the Supreme Court's decision in *Clark v. Barnard*, 108 U.S. 436, 447-48 (1883), that the invocation of federal judicial power by a State results in a waiver of Eleventh

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[2] While somewhat abrogated since its initial inception, the waiver doctrine defined in *Parden* is still well recognized and followed by the circuits. *See infra* at 13.

Amendment immunity to the extent necessary to enable the federal court to fully resolve the controversy between the parties.

Since *Seminole Tribe* was decided, several Courts of Appeals have reaffirmed this principle. For example, in *Clark v. State of California*, 123 F.3d 1267 (9th Cir. 1997), *cert. denied*, 118 S.Ct. 2340 (1998), the Ninth Circuit concluded that the State waived its Eleventh Amendment immunity when it voluntarily accepted funding under the Federal Rehabilitation Act of 1986, 42 U.S.C. § 2000d-7, which clearly subjected the State to federal lawsuits. In explicit reliance on *Seminole Tribe*, the Ninth Circuit stated:

> Even if Congress had not abrogated a state's immunity under the Eleventh Amendment, a state may waive it. *See Seminole Tribe*, 517 U.S. at ----, 116 S.Ct. at 1128. One way for a state to waive its immunity is to accept federal funds where the funding statute "manifest[s] a clear intent to condition participation in the program funded under the Act on a State's consent to waive its constitutional immunity." (citation omitted)

State of California, 123 F.3d at 1271.

The Ninth Circuit again confirmed this principle in *Premo v. Martin*, 119 F.3d 764, 769 (9th Cir. 1997), *cert. denied*, 118 S.Ct. 1163 (1998), when it held that the state of California had waived its Eleventh Amendment immunity by participating in a federal program which required the State to submit to binding arbitration proceedings. *Id.* ("[W]e believe that the overwhelming implication of the Act is that participating states have waived their sovereign immunity to suit in federal court for the enforcement of such awards.").

Moreover, in *In re Platter*, 140 F.3d 676, 679 (7th Cir. 1998), the court held that the Federal Bankruptcy Court had the authority to determine the dischargeability of debts owed to a State. Specifically, the Seventh Circuit stated:

> The Eleventh Amendment does not prevent a state from entering a federal forum voluntarily to pursue its own interest. However, if a state embarks down this route, it cannot run back to seek Eleventh Amendment protection when it does not like the result.

Id. at 680 (citations omitted).

Similarly, in *In re Straight*, the Tenth Circuit held that "[w]hen the State . . . files a claim against the [bankruptcy] fund, it waives any immunity which it otherwise might have had respecting the adjudication of the claim." *In re Straight*, 143 F.3d 1387, 1389-90, 1392 (10th Cir. 1998), ("Unlike §106a [of the Bankruptcy Code] which purports to abolish sovereign immunity across the board, §106b leaves the choice to the governmental unit. It can eschew bankruptcy relief and retain its immunity, or it can doff the protective cloak and join the ranks of creditors . . ." (*quoting Gardner v. New Jersey*, 329 U.S. 565, 574 (1947))), *cert. denied sub nom.*, -- S. Ct. --, 1998 WL 635722 (1998).

Thus, *Seminole Tribe* itself and cases decided after *Seminole Tribe* all confirm the continuing validity of the rule that a State, by invoking the federal judicial power, can waive its Eleventh Amendment immunity. The Federal Circuit applied this rule here. It neither created a new rule of law nor disregarded the Court's precedents.

The University argues that the decision below has the effect of expanding Congress' power to abrogate State immunity and so is in conflict with *Seminole Tribe*. However, this argument only confuses the distinct concepts of waiver — which involves a State's voluntary acts — and abrogation — which removes a State's immunity irrespective of the State's conduct. As the Court recognized in *Seminole Tribe*, the proposition that a State may waive its immunity is "unremarkable, and completely unrelated" to Congress' power to abrogate. *Seminole Tribe*, 517 U.S. at 65. The court below recognized this distinction and deliberately refrained from deciding the issue of abrogation. Pet. App. 10a ("We need not now decide the constitutional question, for we

conclude that the University has by its litigation-related actions waived its immunity and consented to suit.").

B. The University Has Not Identified Any Unsettled Issue Of Public Importance

The University contends that "there is no specific action that is necessary to create a case or controversy between a patent owner and an alleged infringer." Petition (hereinafter "Pet.") at 8. In fact, the Federal Circuit has laid down very specific guidelines regarding what actions are sufficient to invoke jurisdiction under the Declaratory Judgment Act.[3] These well-settled guidelines apply to all patent holders who threaten the economic activities of others by invoking the federal judicial power conferred with the grant of a patent.

C. There Is No Conflict Among The Courts

As the University correctly points out, the Federal Circuit Court of Appeals has exclusive jurisdiction with respect to appeals in cases arising under the patent laws, and thus, the issue of whether a State entity waives its sovereign immunity to suit in a declaratory judgment action for patent invalidity, unenforceability, and non-infringement will likely not be considered by any other circuit. Pet. at 7. This argument, however, does not support review by the Court. On the contrary, it means that no conflict

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[3] While the University correctly asserts that the "totality of the circumstances" test applies for declaratory judgment actions generally, the Federal Circuit has set forth a two part test for determining if a case or controversy has been established in the patent context. Such test requires: 1) an explicit threat or other action by the patentee which creates a reasonable apprehension of suit in the accosted party; and 2) present activity which could constitute infringement. *Hunter Douglas, Inc. v. Harmonic Design, Inc.*, 153 F.3d 1318, 1326 (Fed. Cir. 1998); *Fina Research, S.A. v. Baroid Ltd.*, 141 F.3d 1479, 1481 (Fed. Cir. 1998); *Super Sack Mfg. Corp. v. Chase Packaging Corp.*, 57 F.3d 1054, 1058 (Fed. Cir. 1995), *cert. denied*, 516 U.S. 1093 (1996); *BP Chems. Ltd. v. Union Carbide Corp.*, 4 F.3d 975, 978 (Fed. Cir. 1993).

will likely exist between the Federal Circuit and any other circuit court or state court concerning this issue.

D. The Federal Circuit's Decision Will Not Have Far Reaching Implications Since it Was Based Upon the Unique Facts of this Case

Despite the University's concern that the Federal Circuit has created some new and broadly applicable, but poorly defined, rule of law, the Federal Circuit's decision was based upon a unique set of facts. Pet. App. 4a, 11a ("[f]or on the facts of this case we conclude that the University waived its Eleventh Amendment immunity..."). Specifically, the court below described the University's course of conduct as including:

1. obtaining federal property rights which are not at the core of the educational/research purposes for which the University was chartered as an arm of the State, and which extend extraterritorially to the State, (namely, a U.S. patent);
2. licensing its patent on an exclusive basis to Lilly;
3. giving Lilly the right to demand that the University bring suit against Genentech in federal court; and,
4. threatening Genentech with suit in federal court when Lilly exercised its right to demand suit.

While the Federal Circuit saw fit to include only these particular, perhaps determinative, facts in its opinion, the entire relationship between the University, Genentech and Lilly was before the court. Thus, the court was able to consider the fact that the University executed the exclusive license agreement with Lilly while a patent infringement lawsuit was pending between Lilly and Genentech regarding this very technology, and that such agreement was mainly intended to provide Lilly a tool against Genentech in that litigation.

E. The University's Extensive Activities in Support of its Patent Portfolio Justify Finding a Waiver in this Case

Not only did the Federal Circuit apply settled law, it applied that law correctly. Ample factual evidence supports the court's conclusion that the University had "actively invoked" the judicial power of the federal courts. The University obtained hundreds of patents, each with nation-wide enforcement rights, entered exclusive license agreements, collected tens of millions of dollars in revenue and actively threatened enforcement of these patents in federal court.[4] With respect to the specific patent in suit here, the University gave Lilly — the University's exclusive licensee and Genentech's commercial competitor — the right to demand that the University bring a lawsuit against Genentech. It was pursuant to Lilly's demand that the University threatened to sue Genentech for infringement, after Genentech had already been selling its products for five years. This threat created a case or controversy meeting the standards of the Declaratory Judgment Act. 28 U.S.C. §§ 2201-02. There is no dispute on this point. *See* Pet. at 10, n.3. The court below was thus correct in concluding that "the declaratory action was enabled solely by the University's deliberate acts." Pet. App. 12a.

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[4] On at least two occasions, the University was plaintiff in the action. *See The Regents of the Univ. of Cal. v. Synbiotics Corp.*, 849 F. Supp. 740 (S.D. Cal. 1994) and *Regents of the Univ. of Cal. v. Howmedica*, 530 F. Supp. 846 (D.N.J. 1981), *aff'd*, 676 F.2d 687 (3rd Cir. 1982). Additionally, the University has been involved in numerous litigations regarding its patent-related activities. *See, e.g., Dieter v. The Regents of the Univ. of Cal.*, 963 F. Supp. 908 (E.D. Cal. 1997); *Candela Corp. v. The Regents of the Univ. of Cal.*, 976 F. Supp. 90 (D. Mass. 1997); *Brown v. Regents of the Univ. of Cal.*, 866 F. Supp. 439 (N.D. Cal. 1994); *Ciba-Geigy Corp. v. Alza Corp. and the Regents of the Univ. of Cal.*, 1993 WL 90412 (D.N.J. 1993); *Kucharczyk v. The Regents of the Univ. of Cal.*, 946 F. Supp. 1419 (N.D. Cal. 1996).

II. Parden Supports the Circuit Court's Decision That The University Has Waived its Eleventh Amendment Immunity

As the University acknowledges, the circuit court decision is supported by this Court's holding in *Parden*. Pet. at 16. Under the *Parden* doctrine of waiver, a State can waive its Eleventh Amendment immunity if: (1) Congress enacts a law conditioning participation in federally regulated activity upon waiver of immunity and the law gives notice to a State by clearly expressing Congress' intention to do so; (2) the state voluntarily participates in that activity; and (3) the activity is not a core government function. *See College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*, 131 F.3d 353, 363 (3rd Cir. 1997). On the facts of this case, all requirements for waiver under this doctrine are met.

First, Congress has made clear its intention to subject States to suit in federal court for violations of the patent law in the same manner and to the same extent as private citizens, and to make participation in this federally regulated area of commercial activity conditional upon a State's waiver of immunity. 35 U.S.C. §§ 271(h), 296. Title 35 U.S.C. § 271(h) states that "[a]ny State...shall be subject to the provisions of [the Patent Act] in the same manner and to the same extent as any nongovernmental entity." Similarly, Title 35 U.S.C. § 296(a) provides that:

> Any State...shall not be immune, under the eleventh amendment of the Constitution of the United States or under any other doctrine of sovereign immunity, from suit in Federal Court by any person, including any governmental or nongovernmental entity for infringement of a patent under section 271, or any other violation under this title.

Second, the University voluntarily availed itself of the protections of the patent laws and invoked the authority of federal courts by threatening a patent suit and creating a case and controversy under the Declaratory Judgment Act.

Third, as the court below recognized, "the [University's] actions are not at the core of the educational/research purposes for which the University was chartered as an arm of the State." Pet. App. 12a. The Federal Circuit recently confirmed this principle in *College Savings* when it held that a State's involvement in patent infringement suits is part of the State's commercial activity, not its central political governance role. *College Savings,* 148 F.3d 1343, 1355 (Fed. Cir. 1998).

Rather than dispute whether its actions satisfied the requirements of *Parden*, the University instead questions the continued vitality of the *Parden* doctrine. Relying primarily on the Fifth Circuit's decision in *Chavez v. Arte Publico Press*, 139 F.3d 504, 508 (5th Cir.), *decision vacated and rehearing en banc granted*, Docket No. 93-2881 (5th Cir. Oct. 1, 1998), the University seeks to have the Court clarify the issue of whether a State can waive its immunity by participating in a federal program which requires waiver of immunity as a condition of participation.

But the University's reliance on the *Chavez* decision is misplaced since that decision was vacated pursuant to Fifth Circuit Local Rule 41.3. Under that rule, the Fifth Circuit's decision to rehear the case *in banc* automatically effects a vacatur of the previous decision and judgment. *See* Fifth Cir. R. 41.3 Thus, until the Fifth Circuit rehears the appeal and issues a new opinion,[5] the decision of the previous panel is not binding on any court and certainly cannot support review by this Court.

Further, *Chavez* suffers from the erroneous assumption that the Court in *Seminole Tribe* rejected the *Parden* doctrine of waiver. However, waiver was never an issue for the Court to decide in the *Seminole Tribe* case, as it was "undisputed that Florida ha[d] not consented to the suit." *Seminole Tribe*, 517 U.S. at 55. Moreover, in criticizing the plurality decision of *Union Gas* for misreading precedent and confusing the doctrines of waiver and abrogation, the Court confirmed the validity of the doctrine of waiver under *Parden*. *Id.* at 65.

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[5] Rehearing is currently scheduled for the week of January 18, 1999.

A comparison of the statute in *Seminole Tribe* with the patent laws demonstrates that the Fifth Circuit was wrong in concluding that *Seminole Tribe* overruled *Parden*. *Seminole Tribe* involved the Indian Gaming Regulatory Act that "imposed on the States a duty to negotiate in good faith." 25 U.S.C. § 2710(d)(3)(A). Under that statute, the State had no choice. It was required to participate. Here, in stark contrast, the University has made numerous choices: to seek federal patent protection; to license its patent rights to Lilly in return for royalties; and to give Lilly the right to demand that the University bring an infringement suit against Genentech.[6] Finally, the University chose to threaten patent litigation against Genentech, instead of simply allowing Lilly to bring suit as the exclusive licensee.

Moreover, in the wake of *Seminole Tribe*, the federal courts have consistently applied the *Parden* doctrine to hold States amenable to suit. *See State of California*, 123 F.3d at 1271; *Premo*, 119 F.3d at 770; *US West Communications, Inc. v. Public Service Comm'n of Utah*, 991 F. Supp. 1299, 1301 (D. Utah 1998) (State waives its Eleventh Amendment immunity under Telecommunications Act of 1996); *accord US West Communications, Inc. v. TCG Seattle*, 971 F. Supp. 1365, 1370 (W.D. Wash. 1997); *accord MCI Telecomm., Corp. v. Bellsouth Telecomm., Inc.*, 9 F. Supp. 2d 766 (E.D. Ky. 1998); *accord Michigan Bell Telephone Co. v. MFS Intelenet of Michigan, Inc.*, 16 F. Supp. 2d 817, 825 (W.D. Mich. 1998); *Beasley v. Alabama State Univ.*, 3 F. Supp. 2d 1304, 1325 (M.D. Ala. 1998) ("Consequently, the principle underlying the above-quoted portion of *Parden*, which has not been called into question by *Welch*, *Seminole Tribe*, or any other subsequent decision of which the court is aware, lends solid support to the conclusion that Alabama

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[6] Indeed, given the circumstances under which the University threatened suit against Genentech, it is clear that Lilly was the actual party making the determination of how to proceed. The University, in effect, ceded its decision-making authority to Lilly. Having done so, it should not now be allowed to hide behind the shield of immunity.

could, and in fact did, waive its eleventh amendment immunity when it accepted federal education funds. . .").

Other courts, while not finding waiver of immunity based on the facts of those particular cases, still recognize the continued vitality of the *Parden* doctrine. *See College Savings*, 131 F.3d at 363 (3rd Cir. 1998) (finding no waiver where State activity was core governmental function); *Mills v. State of Maine*, 118 F.3d 37, 50-51 (1st Cir. 1997) (accepting *Parden* doctrine but denying discovery request since there was no federal program or statute that required waiver); *Booth v. State of Maryland*, 112 F.3d 139, 145 (4th Cir. 1997) (federal habeas statute and Antiterrorism and Effective Death Penalty Act of 1996 did not condition state participation on waiver), *cert. denied*, 118 S. Ct. 2063 (1998); *Taylor v. Virginia*, 951 F. Supp. 591, 603 (E.D. Va. 1996) (no waiver because Fair Labor Standards Act and federal highway statutes did not reflect Congress' clear intent to condition participation on waiver); *Hoeffner v. Univ. of Minnesota*, 948 F. Supp. 1380, 1395 (D. Minn. 1996) (federally regulated drug program did not condition state's entering the field of drug manufacturing on amenability to federal suit.)

Therefore, in light of the Fifth Circuit panel's clear – and now vacated -- misreading of *Seminole Tribe* and the continued reliance on the waiver doctrine by numerous other federal courts, there is no sufficient conflict among the courts as to the validity of the *Parden* doctrine to warrant review.

III. This Court Need Not Pass On Issues Not Decided Below

The Federal Circuit expressly based its decision on the State's ability to waive immunity, not upon any Congressional abrogation of immunity, under Article I or otherwise. Pet. App. 10a ("We need not now decide the constitutional question [of whether Article I is a valid basis for abrogating a State's immunity], for we conclude that [the University] has by its litigation–related actions waived its immunity and consented to this suit."). The use of Article I powers to abrogate Eleventh Amendment immunity, proscribed by *Seminole Tribe*, is not at issue here.

Despite the fact that the court below specifically refrained from deciding whether Congress could abrogate a State's Eleventh Amendment immunity in declaratory judgment actions involving the patent laws, the University contends that this issue is ripe for resolution by the Court. Although Genentech disagrees with the University's position on abrogation, Genentech believes that the issue should not be reviewed here.

As the University recognizes, review of the abrogation issue would run contrary to the well-established rule that the Court will ordinarily refrain from passing upon a question not resolved below. *Youakim v. Miller*, 425 U.S. 231, 234 (1976) ("[O]rdinarily, this Court does not decide questions not...resolved in the lower court"); *Bivens v. Six Unknown Narcotics Agents*, 403 U.S. 388, 397-398 (1971) ("This question was not passed upon by the Court of Appeals, and accordingly we do not consider it here"); *Aetna Casualty Co. v. Flowers*, 330 U.S. 464, 468 (1947) (the Court will decline to consider questions "not passed upon by that court nor adequately presented here"). While this rule is "not inflexible", modification of this general rule usually requires "exceptional cases." *Youakim*, 425 U.S. at 234, *citing Duignan v. United States*, 274 U.S. 195 (1927); *see, e.g., Mitchell v. Forsyth*, 472 U.S. 511 (1985) (whether the Attorney General's use of warrantless electronic surveillance to gather intelligence in a case involving threats to national security violated clearly established law).

The University fails to demonstrate any exceptional circumstances here to warrant departure from the normal rule. The University attempts to create a conflict between the circuits by conflating this decision with other circuit court opinions that have explicitly ruled on the abrogation issue. Unlike the present case, the University's cited decisions share the same factual scenario where private citizens bring suit for alleged violations by the State. *See College Savings*, 148 F.3d at 1352 (Fed. Cir. 1998) (State is accused of patent infringement); *College Savings*, 131 F.3d at 361 (3rd Cir. 1998) (State is charged with making statements constituting unfair competition); *Chavez*, 139 F.3d at 512 (State is alleged to infringe copyright).

Ignoring this distinction would not promote clarity but would foster confusion. If the Court decides to review the abrogation issue, it should do so in a case where the issue is squarely raised, not in one where there is an adequate and different basis for the decision.

CONCLUSION

For the reasons set forth above, the Court should deny the Petition for a writ of certiorari to the United States Court of Appeals for the Federal Circuit.

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Respectfully submitted,

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